

## Interview with Joseph E. Lake

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR JOSEPH E. LAKE

Interviewed by: Charles Stuart Kennedy

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*Q: Today is September 5, 1994. This is an interview with Joseph E. Lake and has been done on behalf of the Association for Diplomatic Studies. I am Charles Stuart Kennedy.*

First, can I get a little bit about your background? When and where were you were born, a little bit about your family and early education? Let's just get that in.

LAKE: I was born in Jacksonville, Texas on October 18, 1941. I am a fourth generation Texan and was considered the black sheep for having left Texas. I spent seventeen of my first twenty years in Texas and three years in Germany when my father was in the army. That is probably the reason I am not in Texas. I attended Schreiner College, a junior college in Kerrville, Texas and graduated from Texas Christian University in 1962.

*Q: What were you majoring in?*

LAKE: I had a double major in political science and German. I took the Foreign Service exam by accident—just curious to see how difficult it was. I actually finished my B.A. in January of 1962 and went to graduate school at TCU that spring. I was to go to Claremont College in California on a National Defense Fellowship, but in the summer of 1962, the

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Department offered me a position in an entering class of the Foreign Service. So I entered the Foreign Service at age twenty.

*Q: Did you come in at age twenty?*

LAKE: Yes. I was a Personnel Officer in the course of my career and concluded that you can be appointed as a reserve officer at age twenty. The legal authorities did not exist to make you a commissioned Foreign Service Officer at that age. When I was actually commissioned, I was twenty-one. I've never gone back to suggest that the system had made an error, to be quite frank. I have spent as of last month, thirty-two years in the Foreign Service.

*Q: Can we do a brief summary of where you served, what types of things you were doing in the Foreign Service before we get to the focus of our interview, which is Mongolia?*

LAKE: In the Foreign Service, I have spent ten years in East Asia, six years in West Africa and three years in the Balkans. My first tour overseas was in Taipei, Taiwan from '63 to '65. Then I took six months off to finish my master's degree. I returned in January '66 and worked in EUR/EX including a long TDY in Canada, doing essentially personnel work. From '67 to '69 I was in Cotonou, Dahomey, now called Benin. I was the consular/political/economic officer. From '69 to '71 I was in INR/EAP. Among other things I was the East-Asian briefer for the Assistant Secretary who then briefed the Secretary every morning. From '71 to '73 I was at the Chinese language school in Taichung, Taiwan. From '73 to '76 I was at the Embassy in Taipei as a political officer. From '76 to '77 I was on the Philippine desk, political/military officer, Philippine base negotiations. From '77 to '78, I was in Lagos, Nigeria, as the political and labor officer and from '78 to '81 I was the principal officer at the Consulate in Kaduna, Nigeria. From '81 to '82 I was in Bulgarian language training. Between '82 and '85 I was first the political/economic chief and then the DCM, including a lengthy period as charge between ambassadors in Sofia, Bulgaria. I came back to Washington in '85 to be the deputy director of Regional Affairs in EAP,

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and in the fall of 1986, I went up to the United Nations as the EAP regional advisor to the UNGA delegation. I returned in December of '86 and in January of '87 moved to the Operations Center of the Department of State. I spent three years as the Director of the Operations Center, the last two years of the Reagan administration, the first year of the Bush administration. It was during the period when we were reconstructing the US government's crises management system in the post-Ollie North era in order to have an adequate and effective command and control system to avoid repeating those problems. During that period I spent about sixty percent of my time in the Operations Center and forty percent of my time as acting deputy executive secretary managing issues in the Secretary's office. In 1990, I was selected as the first resident ambassador to go to Mongolia. My predecessor, Dick Williams had been director of the China desk and was a non-resident ambassador. The assumption at that time was that Ulaanbaatar, which was in the heart of the old evil empire, as President Reagan would have said, would be a small listening post in the heart of the Soviet empire. However, in April of 1990, Mongolia, the second oldest communist country in the world, had its own revolution, becoming the first Asian communist country to turn to a democratic system. I arrived in mid-July 1990.

(Subsequent to this interview, Ambassador Lake was Ambassador to Albania from September 1994 to March 1996, and was Deputy Assistant Secretary of State for Information Management from June 1996 to June 1997. He retired from the Foreign Service on November 30, 1997.)

*Q: How did you get selected for this job?*

LAKE: The personnel selection process at that time essentially involved sending forward two names to the ambassadorial committee. One name put forward by the bureau and one name put forward by the central personnel system. Personnel approached me and asked me if I was willing to be considered. I in fact was angling for an assignment in Toronto, Canada as Consul General at the time. I said yes on the theory that I knew who the other candidate was. In my opinion the other candidate was clearly better qualified. I

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would not get the job but then everyone would feel sorry for me and I would get the job in Toronto, Canada. Much to my surprise when we were reviewed by the committee, I was the candidate selected. Had I been on the committee I would in fact have selected the other candidate because in terms of the normal foreign service credentials I believe he appeared to be better. In the end, given the environment and what we went through I think I was a very good selection because of my experience.

*Q: You went out there in 1990. What was the situation in Mongolia at that time. Most people are not going to know much about it. Go back a little and give an idea because Mongolia is really over the horizon.*

LAKE: After Genghis Kahn and his children conquered the world in the thirteenth century, the Mongolian empire crumbled and by the end of the fourteenth century, Mongolia was essentially again a lost area in the middle of central Asia. By the sixteenth century, Mongolia was under strong Chinese influence but still a quasi-independent outer march of the Chinese empire. At that time different factions received support for their wheeling and dealing from within Mongolia and from China. One group of Mongolians signed an agreement with China and were closely allied with the central government. The area which they dominated became what is now known as Inner Mongolia, a province of China. The area where the others lived is now the Republic of Mongolia, which has also been known as Outer Mongolia. One other Mongolian group that had a falling out, literally moved from Mongolia, crossed Russia and settled on the Volga River in Russia and became what are called the Kalmuk Mongols. And in fact the Kalmuk Mongols are the source of the American Mongolian community that lives mainly in New Jersey. Over the years from the end of the Ming dynasty until the Chinese revolution in 1911, Outer Mongolia gradually became a separate entity from Inner Mongolia. Following the Chinese revolution in 1911, the Mongolians attempted to declare their independence and attempted to set up their own state. They had some negotiations with the United States through the American Consul in Kalga, trying to establish relations to obtain recognition by the US and help ensure their own future. They were invaded by White Russians led by Baron Ungern von

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Sternberg, very blood-thirsty White Russian gentleman, who in fact ruled Mongolia before 1921. In 1921 a group of young Mongolian revolutionaries, mainly communists, decided to organize a resistance and with the help of the Red Army launched an attack on Mongolia. Depending on which source you look at either it was the Red Army using them as fronts, or they with the help of the Red Army, which in 1921 successfully kicked out Baron von Sternberg. They took over the country, and Mongolia then was recognized by the new Soviet Union as an independent country. It became the world's second communist country. In fact Owen Lattimore coined the word satellite for Mongolia—the term we later used for Eastern Europe. Between the wars, Mongolia was essentially recognized only by the Soviet Union. The Chinese maintained their claim to it. In 1938 or 1939—I'm not sure of my years, I'd have to double-check—the Japanese made an effort to invade Mongolia and after a lengthy battle at a place called Khalkin Gol they were defeated by a joint Mongolian/Russian force including Marshal Zhukov of World War II fame. I had never heard of this battle until I went to Mongolia. Much to my surprise, the Mongolians said it was a turning point in the Japanese strategy, because their defeat turned them away from moving to Siberia and Central Asia and toward Southeast Asia. To my even greater surprise, some western military scholars support this theory.

*Q: Yes, it's a famous battle.*

LAKE: The Mongolians did not participate in most of World War II after that. However, they did support the Red Army. But when the Russians entered World War II in Asia in August of 1945 just before the defeat of Japan, the Mongolians also came in and, therefore, benefitted as one of the victors of World War II. Following World War II, initially the Nationalist government in China recognized the Mongolians, then withdrew recognition. Following the communist victory in 1949 in China they recognized Mongolia. Then Mongolia had two countries which recognized it. It was a very difficult period after that. There was very little support for Mongolia as an independent nation from the outside world. They and their Soviet allies and initially with the Chinese made a continuing serious effort to obtain recognition. Mongolia entered the UN around 1961 as part of

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the great compromise and began to set the stage for Mongolia being seen as a really independent country and not just simply a part of the Soviet Union. In fact in the 1930s there were two countries in that part of central Asia that appeared after the communist revolution in Russia. One was Tana Tuva, the other being Mongolia. In the 1930s, in fact, Stalin annexed Tana Tuva. Mongolia had Choibalsan, the man whom they call their own Stalin, who maintained their independence. Today despite all the horrible things he did to Mongolia, Mongolians say Choibalsan was a great successful nationalist because he prevented Stalin from annexing the country during that period. Although the issue came up later when one prime minister of Mongolia allegedly proposed the Russians annex Mongolia. Seemingly, by virtue of a quirk of fate Mongolia retained its independent status during that period. After the 1960s, Mongolia began to be increasingly recognized. The US in fact made two abortive efforts to establish relations with Mongolia and in the 1960s, two different times, we trained Foreign Service Officers in Mongolian.

*Q: It was sort of a famous thing. If they did something, we would do something or something like that? I can't remember what it was.*

LAKE: I was not involved in those negotiations although I have talked to people who were. There were two serious rounds. Essentially the view of the Americans who were involved was that we, the United States, made some very specific proposals to the Mongolians which scared them. At that point we were looking for a major listening post between the two communist giants, listening posts both in an intelligence sense as well as in a political sense. It scared them off. However, talking to the Mongolians in Mongolia about this period, I found them very cryptic, not always as helpful as they might be. They suggested that part of the problem was that the Russians simply were reluctant to let Mongolia move ahead. Despite the value they saw in a recognition of Mongolia's independence, they felt there were too many political down sides from their perspective. In 1986, we began another effort at establishing a relationship with Mongolia. Coincidentally, I was at the UN at that time and I was unaware of what was going on. I went to the Secretary's office to work in the operation center in January of 1987, and immediately after I arrived, the

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Mongolian Ambassador to the UN and Secretary Shultz signed the agreement establishing diplomatic relations between the United States and Mongolia. I went out of historical curiosity as much as anything else, little realizing how relevant this would become in terms of my own personal future. We then set about planning how to establish an embassy in Ulaanbaatar. Remember this was before the break up of the Soviet empire. The question became how, in a period of tight budget, do you establish an embassy. The decision was made in effect to establish it out of the hide of the existing East-Asian bureau on a real shoestring. I believe 90% of the people who worked on it thought this was a fundamental mistake, but that is what they did. The initial plan was to open an embassy in the summer of 1988 for just three months and then close it on the assumption that it would not be ready for the harsh winters in Mongolia. Victoria Nuland, who is now the Executive Assistant to Strobe Talbott and Steve Mann with his wife were selected to go on TDY to open the embassy in the summer 1988. Ironically, Victoria worked with my wife, Jo Ann Kessler Lake. Steve Mann came back from Mongolia to work for me in the Operations Center. Again the Mongolian connection came through even though I did not realize it at the time. They opened the Embassy and had a tremendous experience. They had fascinating tales to tell. Ms. Nuland wrote letters about it which we kept, never realizing it would again be relevant to us. But the process of confirming Richard Williams as first ambassador took longer than expected. Victoria Nuland eventually came back early, but Steve Mann stayed on. As I understand it Dick Williams came in September to present his credentials as the first American Ambassador. The Embassy closed in early October that year, but the three Mongolian employees, a maid, a driver, and a staff person kept the "Embassy", if you will, "open" throughout the winter. In effect we had a Mongolian charge at the Embassy. Two other officers went out on a permanent basis in 1989, Mike Senko who was to be charge and Ted Nist who was to be the administrative officer and everything else at the post. They went out in the late spring of 1989 to open the Embassy. Meanwhile, Dick Williams remained as Ambassador and head of the China desk. They began the creation of a permanent Embassy. Ted Nist's wife, Sally, also worked. Mike's wife, Dita, did not work. Mike's teenage step-daughter and daughter were also with him.

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They became the first Americans, probably since 1921 to spend the winter in Mongolia. During the winter in Ulaanbaatar, the temperature goes down to forty below. Spending a winter in Ulaanbaatar is an experience all of its own. The average annual temperature in Ulaanbaatar is twenty-seven degrees, as a matter of fact. It is a very cool and crisp place to live. It gets up to the eighties in the summer, balancing off the very cold winters. Now we are back to 1990, beginning the process of my selection and eventual assignment.

*Q: Did you take Mongolian, or prepare for this?*

LAKE: We tried to arrange for me to take Mongolian in the spring of 1990, but we could not find anyone in the United States who spoke the dialect of Mongolian spoken in Mongolia who did not work for either the Mongolian United Nations mission or the Mongolian Embassy.

*Q: I take it the Kalmuks of New Jersey ...?*

LAKE: They speak a very different dialect. In Mongolia, discussing this with both Kalmuks who visited as well as Mongolians, the estimate was about 60% mutual comprehension. Indiana was the National Defense Language Program Center for Mongolian. But I was reluctant to go to Indiana and later I found out that essentially the Indiana program teaches Inner Mongolian, which is much closer than the Khalka dialect of Mongolia but still has some differences, so I was glad I did not. I made a major effort to help FSI get a program started convincing them with the assistance of David Schwartz, who was the head of the Language School, to get a teacher to come from Mongolia. I started the process of selecting a teacher from Mongolia started. He was finally sent right after I arrived. Therefore, I could not study Mongolian. I spent the spring trying to retread my Bulgarian as Russian. Quite frankly it was a disaster. The result was that I now speak neither Bulgarian nor Russian.



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*Q: I've had the problem ... I studied Russian first then Serbian, then you put them together and you speak sort of bastard Slavic.*

LAKE: That's a pretty good description.

*Q: You arrived when...?*

LAKE: July 12, 1990 I arrived in Ulaanbaatar.

*Q: What was the political situation? How did the government run?*

LAKE: It was a very chaotic situation. In December 1989, the students in Mongolia started demonstrating and brought the government to a crisis in March of 1990. There were striking similarities with Tiananmen, the huge square in downtown filled with demonstrating students calling for the overthrow of the old regime.

*Q: Tiananmen by the way was a major demonstration against the Chinese government which the Chinese put down with horrible results as far as world public opinion, but in this case ...*

LAKE: A similar situation, the military surrounding the square, the question of whether they were going to act. I heard a very dramatic story from several sources in a position to know while I was there. When it came to a crisis of decision in the communist government, a politburo meeting was held and it was the consensus of the politburo that as a matter of fact the troops must be ordered to fire on the students in the square. Batmonh who was the head of the party and the government at the time said that he would not be responsible for ordering the death of the children of Mongolia and ordered the staff to bring in a document to be signed by everyone in the politburo to confirm this order. They refused to sign it. That was why instead of a bloody square as they had in China, the government collapsed. By April of 1990, Mongolia established a temporary government and made some minor amendments to the existing constitution through the parliament.

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The communist party (Mongolian People's Revolutionary Party) set themselves up for elections with opposition political parties in July 1990—immediately following my arrival.

At the time of my arrival there was an interim government waiting for democratic elections. The first democratic elections in Mongolian history.

*Q: When you went out there, you obviously had been preparing yourself. What did you consider? Two things: What were US interests in Mongolia? What task did you set yourself about? What were your main goals?*

LAKE: Ultimately, from the US perspective, I do not see a US interest in Mongolia—except for a philosophical one. If we as Americans believe in the democratic process, if we believe in the concepts of a free market economy as we say we do, Mongolia is a place we can make a difference. Therefore, my perspective was that if the Mongolian people voted for a democratic process, we could influence the process of change in Mongolia. The Mongolian people did and we did begin to make an effort to support that process. Ironically, I have no reason to believe that anybody adopted our ideas. Many of the efforts we made in Mongolia, with a much lower level of support, and without the money and institutional organization, were exactly the same things that were later done in the process of supporting the transition in the newly independent states of the former Soviet Union. I think the challenge, the experience was crystallized for me in a very telling way in August of 1990. On the day before the first democratically elected parliament was held, my deputy, Mike Senko, received a phone call from one of the members of parliament, an opposition member, who said: “Do you have a copy of Robert's Rules of Order?” And we said: “No.” And he said: “Well, can you tell us how to run a parliament?” These were people who had no idea how a democratic parliament functioned. Supporting democracy was the driving force. There is an argument to be made, often made by the Mongolians and a few other people, that Mongolia's central location between Russia and China gives it strategic importance. I don't think that's a sustainable argument. I think China and Russia both have strategic interests in Mongolia. China because it is close to Beijing and therefore anybody

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who controls Mongolia could threaten their capital. Russia because it is close to the Trans-Siberian Railway. Anybody who controls Mongolia threatens this vital life-line.

*Q: The Trans-Siberian railway?*

LAKE: Yes. So, therefore, at a minimum from their viewpoint, their interests are best served by having neither one having the other side occupying Mongolia—creating a potential environment for a neutral ground for these two major countries. Japan has a natural interest because Mongolia is very mineral-rich. Therefore, you could argue there was an American interest in keeping it a neutral ground. I don't argue with that, but it's more a Japanese issue than an American issue per se. Ultimately the American interest is: Can we influence the building of a democratic process?

*Q: Why don't we talk about the living conditions first?*

LAKE: The living conditions. Ulaanbaatar was a classic run-down provincial Soviet city. There was no apartment for the Ambassador, because there had been no Ambassador. We had a TDY apartment with approximately five hundred square foot (410 square feet) with one bedroom. That became the residence. The Embassy was actually slightly larger, almost six hundred square feet. It had two bedrooms. It was downstairs in the apartment building in which we lived. The problem with the Embassy was that when I arrived, there were not enough offices for me, my deputy and the administrative officer.

*Q: That consisted the Embassy?*

LAKE: That was the Embassy.

*Q: You arrived with your wife?*

LAKE: Just my wife. We had a son who was a senior in high school, so my wife was going to come back and spend the first year with him. The original idea was in fact that I would come back because there was a new building being built for new diplomats, which our

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Embassy would move into. It was supposed to be finished in January of 1991. That was the assumption. However, the day after my nomination was announced, the then Deputy Assistant Secretary Desaix Anderson was testifying on the Hill. He was asked questions about when we were opening a new Embassy or sending an Ambassador to Mongolia. He did not know my appointment had been announced and, therefore, was being careful in his responses. This led to a fairly acrimonious discussion about the Department of State and the unwillingness of diplomats to live in difficult conditions. As a result of this discussion the decision was made that I would go out whatever the situation on a permanent basis. Fortunately, just before I arrived we were able to get a fifth floor walk-up in the same building and the administrative officer moved there. His old apartment, directly above the Embassy, was quickly made into another Embassy office. Secretary Baker was scheduled to visit two weeks after I arrived, so immediately following my arrival an S/S advance team arrived.

Q: S/S is ...?

LAKE: The Secretary and Staff of the Secretary's office. In fact the original idea had been that the S/S team and I would arrive together, but at the last minute the decision was made for me to arrive a few days earlier. Unfortunately, the decision was made while I was in Hong Kong and before anyone had arranged for tickets or anything else at that stage. It's still very difficult to get tickets on the trains between Beijing and Moscow which is the one that goes through Ulaanbaatar. So instead of having three days to prepare ourselves in Beijing, we had twenty-four hours. My wife and I ended up on a Chinese train. The Embassy in Beijing arranged a berth for my wife in a compartment with a Chinese gentleman, first class, and I shared a compartment with three Chinese gentleman in second class. The Chinese gentleman who shared the compartment with my wife was very nice and invited me to spend the night with her and he would spend the night with another friend. The gentlemen who would have spent the night with me in my compartment were all going as workers to Romania. Among the many things they had was a collection of watermelons they were going to eat on the train. But as the train bounced

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along the watermelons kept rolling away, so I sat in this compartment with watermelons rolling around the compartment, out into the aisles, etc. We had to go back to our own compartment at the border crossing so that they could check us. We also had to get off the train because when you go from China to Mongolia, they must change the wheels as the tracks are a different gauge. (On another trip I was able to actually watch this. It is something to see.) Much to the consternation of the Chinese with whom I was sharing a compartment one of their watermelons disappeared while they were off the train. As I speak Chinese so I was able to follow all that was going on.

We were not certain anyone knew we were arriving in Ulaanbaatar because the communications are so bad. (I did a survey after the Secretary's visit and my estimate was that about sixty percent of the messages got through.) Fortunately the British diplomatic couriers were on the train. After I met them, they agreed that if no one from the American Embassy was there and they would give us a ride to the British Embassy where we could try calling the American Embassy. In addition, just before we left Washington, we had been warned that there was a custom in Ulaanbaatar that all the ambassadors turned out to meet a newly arriving ambassador. Therefore, we were warned that we should be prepared for such a meeting as we got off the train. Just before the train pulled into Ulaanbaatar, my wife and I took turns changing clothes in her compartment. We had to do it one at a time because the compartment was so small. Fortunately for us and the rest of the diplomatic corps, immediately prior to my arrival the new Korean Ambassador had arrived. He had flown in and the plane had been late. The ambassadors had made three different trips to the airport to meet him. Based on that experience, they decided that they would no longer meet new ambassadors, and we were the first ones not met. But the chief of protocol and the whole embassy staff, all four of them, met us when we arrived. In any event, we arrived early and three days later the advance team arrived for the Secretary's visit. We then became deeply engaged preparing for the Secretary's visit. The key decision on whether the Secretary's would visit was whether we, the observers on the ground, felt that the elections were truly democratic. We brought in four observers, one

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from Washington and three from Beijing, to look at the political process. Our evaluation was that the election was a fair, open democratic process. Surprisingly so when you consider what they had been through throughout their history.

The Secretary arrived shortly thereafter, within a couple of days. Without checking my notes, I can not give you an exact date.

As we planned before the visit to Mongolia, we had made a survey at the sights. We had scheduled a visit to the Gobi desert, a visit to a fishing area and the city of Ulaanbaatar as well as meetings with the government and opposition. I knew something was up when it was time for the Secretary's plane to land and the plane kept circling the airport. Having worked in the Secretary's office, I knew that he always arrived exactly on time. The plane landed. The Secretary got off. As we were all greeting him, etc., I was asked if there was a tacsat (satellite telephone) available. There was a military representative on the plane and said he needed to get to the Embassy right away, so we got him to the Embassy. As it turned out, as the Secretary was arriving, the Iraqis were invading Kuwait. They had been receiving the word on the airplane and that was why they were circling to find out exactly what was going on. The result was the decision to drastically curtail the planned four day visit. There was a series of brief meetings that day in Ulaanbaatar and the Secretary left on the second day. Changing his plans he flew to the Soviet Union where he met with the Soviet Foreign Minister Shevardnadze. This led eventually to the understanding between the US and USSR concerning the Iraq war. The Mongolians were obviously very disappointed. Secretary Baker also found it a very interesting and challenging time. He was fascinated by the experience. The relationship essentially exploded following the brief visit and ultimately led to a second visit by Secretary Baker.

*Q: You said you had a couple of points to mention about ... what? The Baker visit?*

LAKE: Well, actually no. It was back to the question of giving you some sense of the environment in which we were operating. One about the Embassy and one about

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Mongolia. Today of course we are very used to the concept of a post-communist society and all this means, but in 1990, the inner core of the old Soviet empire such as Mongolia and what we call now the NIS, the former Soviet Union, had not gone through this. Mongolia was the first nation which had a long communist history to transform itself or attempt to do so. In 1990, when I arrived, Mongolia was still essentially a traditional communist country from the inner core of the old Soviet Empire. Between 1950 and 1990, the World Bank estimates that roughly forty percent of Mongolia's GNP on an annual basis was the direct result of Soviet aid. The changes that now seem so obvious to us were yet to happen in Mongolia. I also wanted to give you some sense of the Embassy and how resources poor we were. Before I arrived, the Embassy obtained its the first TELEX, but it had a Cyrillic keyboard. They had to type messages to send to Washington in English on a Cyrillic keyboard—a challenge all its own. By the time I got there, they at least had a TELEX with an English keyboard. But when you typed you could not make a mistake, because if you made a mistake you had to type the whole tape over again. Things got so hectic that Ted Nist, the Administrative Officer, moved the TELEX machine into a closet so he could shut the door and type without all the noise. The Embassy was so small that we took a door down and laid it on a bathtub to make a table for a Xerox machine.

No one had planned for an Ambassador to be resident and when I arrived there was no furniture. The staff were frantically trying to furnish some kind of apartment for me, and a desk. The weekend before I arrived, the Japanese received a load of new furniture. As they installed the new furniture in their quarters, they threw the old furniture on the junkpile. Ted and Mike asked if they could have the furniture the Japanese were throwing away. That is how I got my desk which I used until 1992, and the first table for the residence dining room. It was a very interesting table. It had leaves, but when you extended it to put the leaves in, the ends of the table fell off. It encouraged very small representational activities. The Japanese were happy for us to take the things off the junkpile but after several weeks they came back and asked if we were still using these things from the junkpile. We said yes. And they said: "Well, if you're really going to use

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them maybe you should pay us for them.” Perhaps that gives you some idea, reflecting what we were wrestling with at that moment in time.

*Q: Yes, this represents an attitude and a problem. I finished an interview with Sherman Funk, the Inspector General, and he came from outside and he .... I don't know how he was at the time, but he said it really was awful, the way the Department of State took care of these newly emerging embassies. It was up to you fellows to make do. As he went around and looked at them he found that everyone was surviving but it wasn't as though the Department of State was making any great effort to help. He said that many of the places relied very heavily on the CIA to get their equipment. I'm not talking about anything fancy, I'm talking about paper, things like that.*

LAKE: Ironically you are describing the establishment of a new post in a newly independent states of the former Soviet Union. From Ulaanbaatar, we envied the quality of what they got. In fact the two people who worked for me later helped open two of these new posts. They both commented to me how fantastic it was going to these new places where you just said there was no support. They said things were so much better there than they were after two years in Ulaanbaatar. I don't disagree with Funk's statement, but from my perspective those posts had incredible support.

*Q: It reminds me ... I don't know how it would be today, but in my day foreign diplomats in Tirana where you're going, used to go to Titograd for R & R, for rest and relaxation. I went to Titograd and I thought: “This wasn't the end of the world, you could see it from there.” This is coming out of Belgrade. So, I guess perspective is your ...*

LAKE: When we first got to Ulaanbaatar, Beijing was a twenty-five percent deferential post and really considered difficult. We thought a trip to Beijing was like going to heaven. So it all depends on where you're coming from.

*Q: Okay. So it was really difficult. You'll tell me about your ...(?) when you were running your sort of family operation. But could you describe dealing with the government. How*



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*would you go. You didn't speak Mongolian. How did you get along? Whom did you see? How did they receive you?*

LAKE: First of all the Mongolians received us with open arms. They were excited to have Americans. They wanted another outlet. They obviously saw us as a counterweight to the traditional Chinese and the Russian role. As change began to take place in Mongolia the US was idealized far beyond our capabilities and reality, as in many of the countries of eastern Europe. Because we had been the evil monster for so long, now we seemed perfect in everything that we did from an economic perspective, political perspective, etc. So to put it mildly, we were welcomed with open arms and the Mongolians were cruelly crushed that we did not do more. In September of 1990, the President actually asked me to arrange for a two hundred and thirty million dollar a year assistance for Mongolia figuring this would replace the Russian assistance. They did not even conceive of the magnitude of problems, etc. this would entail in terms of the US bureaucracy. They simply saw us as the answer to everything. Institutionally they welcomed us with open arms.

There were some very conservative people. The Minister of Defense for instance literally shook when I first saw him I should say. I suppose I was the first western dragon he had ever had to deal with. He didn't know how to cope with me. He had come up working very close with the Russians and had heard nothing but the most negative propaganda about us. Mongolians as people though were the nicest people I had worked with up to now, anywhere in the world. They are open, they are friendly and honest, and there is this incredible clicking between Mongolians and Americans. I have a theory on this. Despite the vast differences between Mongolians and Americans, there is in fact a cultural similarity here. We view ourselves as the descendants of a frontier society. They are a frontier society. Forty percent of the Mongolians today are still nomads. And so we share a set of common values even though we come from vastly different worlds. This has helped tremendously. This is what I call the magic of Mongolia. The Americans who came to Mongolia became enchanted by the Mongolians, sometimes too much so I would add. The

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Mongolians were not nearly as effective in dealing with the Europeans, or the Japanese, despite all the efforts these countries were making.

*Q: Other than you might say your housekeeping things, you know keeping yourself going, what sort of things would you go to the Mongolian government for, how would you do this?*

LAKE: You have to go back to the basic description that this post was expected to be—simply a listening post. Then they had a revolution. Secretary Baker came to believe that we should support the Mongolian people in their efforts. I saw very quickly that this was going to blossom incredibly in terms of the US efforts, as it did. In the course of FY '91, we went from zero planned aid at the beginning of the year to over thirty million dollars in assistance by the end of the year. Anyone who has worked in the bureaucracy, particularly with the AID bureaucracy, knows what an incredible task this became. The other thing was that just analyzing what was happening you could see that Mongolia as it existed in the summer of 1990 was going to cease to exist. This was a country sustained by an incredible volume of Soviet aid. Things were going to change and we had to be prepared for the worst. Remember, this is a country with a capital city where a temperature in January of forty below is considered normal. The average temperature in Ulaanbaatar is twenty-seven degrees Fahrenheit—the coldest capital in the world. From the point of view of sheer survival, not to mention all the other events that took place in the course of change we had to be prepared.

In September of 1990, we had the first US trade group visit Mongolia. It was an effort launched by the Hong Kong-American Chamber of Commerce looking for export trade opportunities. After they departed I returned to Washington because by that time we had a Mongolian teacher here, and I spent three months studying Mongolian. In the process we worked out an invitation from President Bush to President Ochirbat of Mongolia to come to Washington. I then flew back in order to be in Mongolia for preparations. We had to sort out scheduling problems on the Mongolian side and I had to accompany the president to the United States.

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Before I left (Mongolia in September 1990), the Mongolians had elected Ochirbat as their democratically elected president in indirect elections—the parliament had selected him. I attended his inauguration. It was a fascinating blend of Mongolian traditional culture and modern trappings. The President wore the Mongolian traditional dress—banned under the communists. Ochirbat appeared for his inauguration wearing the traditional Mongolian *del* and the traditional hat. The state seal was presented in a very traditional style, in a formal wooden box. The whole inaugural process was something which reached back to the roots of Mongolian history. One of the other currents that was developing in Mongolia at this time was the rediscovery of its own history. It had been suppressed tremendously during the communist era.

*Q: Obviously the Russians did not have the fondest memories of the Mongols.*

LAKE: Of course you could put a positive or a negative interpretation of the Soviet attitude. In one sense the Mongols had conquered Russia. The Russians had no reason to welcome a remembrance of Mongol history. On the other hand, they had sought to improve life for the Mongolians. One foreign diplomat who had been there several times over the years—a number of them had been, mostly eastern Europeans and Chinese — recalled dealing with then Soviet Ambassador back in the 1960s who said: “My job is to urbanize the Mongolians, because communism only works if you have a proletariat. If you have nomads, you don't have a proletariat.” There was also an ideological drive to change Mongolia's view of itself. In December 1990 I flew back to Mongolia and came back to Washington with President Ochirbat in January of 1991. This really launched the real beginning of a major American effort to assist Mongolia.

*Q: How did this trip ...? Obviously, he had never been in the United States before?*

LAKE: Ochirbat had made one trip to New York as the Minister of External Economic Relations. We convinced him to come in across the Pacific to stop in Los Angeles to meet with businessmen there, to get a better understanding of the United States. Then come

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to Washington, have the official meetings; then go to New York for meetings with the business community, foundations, etc. to generate an increased interest in Mongolia. It was an eye opening experience for him.

However, while in California, we went to the house of a very well-to-do southern Californian. The sort of place with original Picassos hanging on the wall. Ochirbat gave a speech about how pleased he was to be in a real American home. Jody and I thought: "Well, you know, it's very nice, but it's not a real American home." While he was in Washington, his wife visited the high school in Falls Church, while we were doing official meetings. Jody asked the secret service if they could bring her to our house which was only a few blocks away, so she could see a real American home to realize that we don't all live with Picasso's on the wall. They enjoyed it and found it fascinating. I think it was a tremendous experience for them. The visit generated a lot of interest among several groups in the US. The Mongolian charm is very successful.

The lady from the Blair House said it was the first time she had had foreign visitors who didn't eat vegetables. How do you work out a menu with things like this? There were all sorts of interesting problems along the way. But the visit then launched the broader effort. AID sent out people to begin working on a long-term plan in terms of programs that would be suitable for Mongolia. A whole process began to develop— remember this is all before the collapse of the former Soviet Union. Therefore all these things which became normal later on were new. The attitude was: "Well, we have a three-year budget planning cycle. We can't put Mongolia into it. Why do we want to worry about assisting the Mongolians on this issue, or that issue, because we have never dealt with this before." Of course all this has changed in the last two years. We began a whole new way of dealing with the former Soviet Union. It was an uphill bureaucratic battle in getting the Department interested from communications for Ulaanbaatar, to housing, to any issue that was considered of interest.

Secretary Baker had an interest in Mongolia and part of my problem was convincing people in the bureaucracy that this was a reason to be interested. You can only call the

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Secretary so many times. Baker made a second trip to Mongolia in the summer of 1991 and that finally began to get people's attention. People really did begin to believe he was interested in Mongolia.

*Q: How did that trip go?*

LAKE: That trip was quite an experience all its own. We had no reliable communication in Ulaanbaatar. When Baker came the first time we brought in an INMARSAT, the whole ball of wax.

*Q: These are ...?*

LAKE: These were satellite communications systems which were just becoming increasingly popular at that time. I had been trying to convince the Department since early spring to deploy an INMARSAT, International Maritime Satellite, to the Embassy in Ulaanbaatar. There was tremendous reluctance for a lot a bureaucratic reasons to do it. This became the system we then used throughout the newly independent states when they emerged, but at that point it was an idea that nobody wanted to try. So finally Secretary Baker and I were sitting at dinner and he said to me: "Is there anything I can do for you before I leave?" since he was cutting his trip short and rushing back, I said: "Yes Sir, there is. When you leave our communications are going to disappear. We will not be able to communicate with the world. You could leave one of your INMARSATs behind." And he said: "Well, why has no one mentioned this to me before?" And I said: "I've been working on this issue and finally I've got sort of an agreement to get us one, but nobody can agree who will pay for it." He said: "Will it create a problem for me?" I said: "Sir, I spent the last three years seeing to it that you were always in communication and I can assure you that leaving one INMARSAT behind will not affect it. I know what's in your inventory." He said: "Okay. You tell them I'll do it and when I get back to Washington, you tell them to send me a memo and I'll decide who pays for it." I then went to see Pat Kennedy who was the director of S/S-EX, the executive office of the Secretary, and told him what the

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Secretary had said. I then went to see the chief communicator who was the head of the VIP team for communications and told him what he'd said. I said: "Let me know what you want to do." That was late that night. When I got up the next morning there was a cable from Washington telling us that the problem had been resolved and instructing the team to leave an INMARSAT behind.

As a result we had the telephone in the summer of '91 and on one beautiful Saturday night in the summer about seven thirty, I happened to be in communications center and the phone rang. So I answered it and it was Brunson McKinley, the executive secretary's special assistant. He said: "Joe, he wants to come next Thursday. Do you think he can?" I said: "There is no doubt in my mind the Mongolians would invite him and welcome him to come. Trouble is how do I find out?" He said: "We got to know right away." At that point we were doing shuttle diplomacy in the middle east, so he could only call at certain times, etc. And I said: "Okay. I'll see what I can find out." I couldn't find anybody at any number I had in Ulaanbaatar. It was a beautiful night. The weather was absolutely perfect. There was no way in the world anybody in his right mind would be at home. My new deputy, Tom Dowling, had just arrived. He had just graduated from the first Mongolian class at FSI. So I called him over and said: "I know where the Foreign Minister and the Prime Minister spend their summer at this little dacha outside of town. We're going to drive out there and see if we can get in. You speak Mongolian and I'm the Ambassador. Between us we might be able to do it." I put the flags on my car. Got in the car as a driver because Tom didn't drive. Drove up to the gate. You can imagine this. You have this Mongolian draftee who is nineteen years old and who is carrying an AK47 and looking at these guys who pulled up. I gave Tom my ID card because Tom didn't have an ID card at this point, he'd just arrived. He walked up and said to the Mongolian guard: "My driver is the American Ambassador. This is his ID card. He wants to see either the Foreign Minister or the Prime Minister." Well, it was clear that this guy had no idea in the world what to do. So he called his sergeant who finally believed us and called in to the compound and the word came back: "Yes, the Foreign Minister will see you." We went in, went into a waiting room and in

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walked the Prime Minister. Of course there was no translator or anybody else. Tom then proceeded—he had a Mongolian-English dictionary in hand—to explain what the situation was. Would he like to invite the Secretary of State? Would it be possible? Tom got the message across. At one point when Tom was flicking through his dictionary and he said something, the Prime Minister got this funny look on his face and he took the dictionary away from Tom. He flipped through and said: “That. Yes!” Well the Prime Minister was thrilled, needless to say. Of course they wanted to invite him. I went back and got in touch with the party in the Middle East.

That was late on Saturday night and they were coming on Thursday. There was only one flight a week at that point in Ulaanbaatar and that was on Monday and if we were going to get any help it had to come in on Monday. I called the DCM in Beijing, Lynn Pascoe and told him what my problem was and said: “You know the people I critically need are this person, this person ...Can you send them up? To his credit Lynn Pascoe sent them up. They were on that flight on Monday. They then proceeded over the next four days to put together a four-day visit for the Secretary of State. I'm certain that it was the first secretarial visit since the '60s, if not earlier, that did not have an S/S advance team. We did it all ourselves with incredibly poor communications, but we did the best we could do and put together a visit he was absolutely thrilled by. The Mongolians were also thrilled by it.

The visit provided a real boost for the Mongolian process of reform because it was a very clear demonstration by a senior-level American of support for continuation of democratic reforms in Mongolia. By the summer of 1991 they were beginning to have a few bumps on the road. As I said earlier, from 1950 to 1990 approximately 40% of Mongolia's GNP had been Soviet aid. On January 1, 1991, it was cut off just like that. It was not just the cut in aid. Mongolia's economy was totally integrated into the Soviet economy. The construction companies were divisions of a southern Russian ministry of constructions. I mean it was complete and total integration economically, even down to the lowest levels. Suddenly an economic barrier came down between Russia and Mongolia. It's hard to imagine what it



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means but the best example I can think of is to imagine in the 1930s in the United States during the depths of the depression trying to create North Dakota as a separate country. That's what the Mongolians were facing. The worst thing was they didn't really recognize it. After all these years of Soviet aid and closeness to the Soviets, and despite the fact that they'd had their own revolution and were trying to go their own way, they simply couldn't bring themselves to believe that it wasn't going to continue. The problems went on for months as the Soviets didn't reach agreements, didn't solve problems. Meanwhile the Soviets were having their own problems. But at that stage, it was also a matter of we're not sure we're going to really support this revolutionary process. Why do we want to do this? We have our own responsibilities. Things were going downhill on a fairly steady basis economically. More and more problems. The Secretary's visit was able to crystalize for him and more to the point, crystalize American recognition of what the problem was. So one of the results was that the Secretary asked the then Deputy Assistant Secretary for East-Asian Affairs, Bob Fauver, who later became the Deputy Under Secretary for Economic Affairs, to take on the task of seeing what we could do to help Mongolia.

I should go back a step and say that I had come back in June for my family, to pack them out. The Prime Minister of Mongolia had come in June to the US to say: "We're beginning to have problems. What can we do?" That started the process. The Secretary's visit crystallized it. With his support, Bob Fauver's efforts, my efforts, we began a major push to have a Mongolia Assistance Group meeting. This ran into all sorts of major problems as to who was going to sponsor it. Again remember we're before the whole experience of NIS. Should the World Bank do it? The Secretary felt, correctly I think, Japan should be involved. All the focus was on Europe. Everything was being done in Paris. So we pushed for a meeting in Tokyo. The World Bank became involved. There was friction between the World Bank and the IMF which felt it was its role to manage such efforts. Despite these tremendous obstacles, in September we were able to put together a Government of Japan and World Bank sponsored Mongolian Assistance Group meeting in Tokyo, with participation by other major donors countries. We generated two hundred and fifty million



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dollars in aid commitments at that time. Again a tremendous boost for Mongolian morale. But also it met a real practical need because at that time the economy was beginning to go downhill.

Things continued to worsen in Mongolia and we, meaning the US government through AID, began making plans. How could we best, most effectively use the limited amount of money we have available. We could provide training. I still believe this is the most effective approach. From what I have seen it is certainly the most effective thing we've begun to do since then in eastern Europe, in the NIS. Looking for ways to transfer two hundred years of experience in democracy and in free enterprise to a society that has not shared this experience. This ultimately means technical assistance. And that was initially to be our main focus, people—in terms of the peace corps, in terms of advisors, in terms of people working together. That was the effort we were making. The operating assumption in Tokyo in September of '91 was of course that the Soviet Union would still be there and our problem was not how to deal with what became the collapse of the Soviet Union but how to get them involved in the process. We had invited the Soviets to attend. As I recall they were represented by their embassy in Tokyo at the time.

The effort got started but it quickly became obvious that the lack of Soviet assistance was a critical problem. The Soviets pulled technicians out of Mongolia—the biggest immediate direct threat to Mongolia was the potential collapse of the heating system. Mongolia following the socialist system had a central heating system for the entire city of Ulaanbaatar. The vision that hung over our heads was that in January when it's forty below you would have a collapse of the heating system. Roughly forty percent of the people of Ulaanbaatar, a city of half a million people, would be exposed to forty below weather with no form of heat. I also had to take this into account in terms of planning for the Embassy, and what the Embassy could do. With pressure from me ultimately we changed the focus of the assistance. In the long term perspective, the original plan (training, technical assistance) was the best plan. In terms of survival for the next twelve months we'd done

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the right thing. We made a major effort and began to bring in assistance, critical spare parts, advisors. Simply getting it done was the challenge. Again it was the first ...

*Q: Bring in critical spare parts for what?*

LAKE: For various parts for the power system. It really became a crisis was in the winter of '92- '93. You had a system which gradually began to deteriorate. Parts could not be bought, things began to get worse and worse, things could not be repaired. The coal mine dug the coal out of the ground and shipped it to the city and it was burned. The goal was to build enough of a stockpile in the summer so that you could continue a lower production as was necessary in the winter and gradually pull the stockpile down so that you could keep the system going at an optimum level. But because of the overall economic dislocations they had trouble keeping the coal mines producing enough in the summer so that the stockpile was smaller when the winter began and things began to go downhill. In late '92 the biggest coal mine which supplied mainly the city of Ulaanbaatar had problems, They had drag lines which actually pulled the coal once it's blown out of the ground out to the rail line. They had wire rope that ran it. They had spliced and spliced and spliced to the point where the wire rope wouldn't work anymore. We got an American engineer who was there on another project. I asked him to take a look at this to see if there was anything we could do. He said: "It may be such and such millimeter Russian wire rope, but half inch American wire rope will do the job." So we pressed AID to do something, to use the money we had to buy the wire rope. It took a tremendous amount of effort. A lot of people in AID were angry at me. I was obnoxious enough and insulting enough that finally in December they flew a special charter flight out with that wire rope on it. By the summer of 1993, the Prime Minister, the Minister of Energy, and the President had all said to me that if we, the Americans, had not done that the system would have collapsed that winter. It was the classic story of for the want of a nail a shoe is lost, for the want of a shoe the horse was lost. But we reversed it in fact, we found the nail to keep the shoe to keep the horse to keep the system working.

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But our assistance also took other forms of emergency aid. They were getting engineers in to help them figure out how to deal with issues. The Mongolians are very good engineers. But they had grown up in a Soviet approach which is extremely different from the way Americans do business and does not lend itself well to crises management. Without AID and the assistance from the American companies in the energy sector, they simply would not have survived the winter of 1992-1993 with an operating heating system.

*Q: What I've heard is that AID is sort of overgrown bureaucratically and is not very responsive and also tends to have projects which at least in retrospect ... We're looking at this in Africa and wondering: "Was this worth it at all?" And this may be very unfair. You've had experience in other places. But at the time we're talking about, did you find the AID bureaucracy was too big? Was there a problem really, or was this just the guy in the field getting annoyed at the guys back home?*

LAKE: There was a problem and it is the problem you describe of the AID bureaucracy but .... I'm not the right person at this moment in time to analyze what I see as a problem of the AID bureaucracy. When I retire I'll be glad to continue this discussion if you like. But one thing that is true. I believe, and it is true in dealing with any bureaucracy, the key problem is to find the right people who will get the job done, and push that button. Get that person involved. That's in essence what we did. A combination of finding the right person and getting him to act and being obnoxious enough as the American Ambassador to make it happen. That was what we did, the pressure we applied was critical in making it work.

One of the many problems we had was understanding how to deal with the challenges. At our request, OFDA, the Office of Foreign Disaster Assistance, came out and did a survey, because I could see these disasters coming. They came out the winter of 1991 after the beginning of the year. It was interesting dealing with them. The problem we faced was that essentially at that moment in history, we had a tremendous amount of experience in dealing with disasters around the world in tropical countries. What we did not have was experience in dealing with disasters in Arctic conditions. We've learned a lot since

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then, and I think it's also part of the AID problem. AID had devoted a lot of effort to third world development. The third world was by definition tropical. The experience was of little relevance and you could not necessarily transfer this experience. But to convince people who've grown up, who've learned a system like that, that their experience is irrelevant, they first have to go through it. So for a lot of people the Mongolian experience was a learning experience for exactly those kinds of issues. As I think I've said to you earlier, many of the concepts and ideas that we faced were new. We had a huge conference in Tokyo on the NIS. Many of the issues that were addressed in the conference were the very ones that we brought up earlier in the Mongolia conference. Some people learned those lessons. I'm not sure they ever directly transferred them in that sense, but yet we went through a learning experience. Because I know some of the key people who went on to work on these things had already learned some lessons. I'm not sure they would necessarily even admit this, but some of the people who had worked on these things suddenly found themselves working on these issues yet again and that was part of their learning experience I think.

*Q: Let's say you got technicians to come out. This was your main thing that you were doing.*

LAKE: This was our original goal.

*Q: Your original goal. How were the Americans coming out, the people who were chosen, how did they deal? In the first place it's cold as hell, second place there's a language problem and all that?*

LAKE: You've raised two separate issues and both are interesting in their own way to me. One is on the language problem. The Mongolians learn foreign languages faster than anybody else I've ever run into. I find it fascinating. One can argue culture and everything else. I don't know what the answer is, but one simple example is the Foreign Minister. A senior official who had little time to deal with languages. When I arrived in

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1990 he could not speak one word of English. He had a farewell picnic for me the day before I left Ulaanbaatar and the entire picnic was in English. We had a translator with us and sometimes even the translator would disagree about what he wanted to say but he did the whole thing in English. So in three years, a man who was the top level of their government, tremendously involved, had learned English. In six months a Mongolian who had not studied before would be speaking English. Everybody was studying. So there was a great explosion in the learning of English. Mongolian conversely is an extremely difficult language and other than the Peace Corps volunteers I didn't see a lot of Americans who were able to learn it particularly well. Initially, it was the same problem we'd have ahead in the former Soviet Union in that not enough people spoke English. That was one of the many problems we wrestled with while we were over there. The technicians were welcomed with open arms. The guys who knew what they were doing who would get their hands dirty, which to me is an American trait, were the ones who were most successful and really made a difference. We were doing everything differently. Many years ago, when I was in Africa, and trying to explain to Americans the cultural gaps that we were wrestling with, I would tell the story that I had a steward who came to work for me in my house in Cotonou and I'd ask him to screw a screw in. He had never seen a screw driver. That was a cultural gap that you could talk about in real terms. In Mongolia you had a different cultural gap. You had people who were college educated, who understood the new things, but had been trained in an entirely different way of looking at things. Quality and efficiency were not key elements in the Soviet structure. A simple example on a very basic level is that we had Mongolian technicians who worked for the Embassy. We brought an American to install a generator in the Embassy and build a building for it. The Mongolians had never seen a level. If you go to Mongolia, the windows aren't square, the doors aren't square, because they didn't use levels. These guys quickly learned to use a level and then used it all the time. It was great fun for their people. Suddenly things could be square and they could be right. And so that's the kind of cultural gap that is hard to understand but it was there constantly. That was the key thing. That is why having Americans who would work with people on the ground made a tremendous difference. Similarly with the American

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engineers who came to work on the power system. The ones who were really successful were the ones who went into the plants with those guys, who went into the coal mines, who talked about these things and helped them to bridge this cultural gap.

For instance, this drag line of which we have spoken is not the normal style we would use in an American coal mine. It was the Soviet system and because it was big and by definition therefore you got economy of scale. Of course when it broke down nothing worked. As I understand, in a similar American mine you would have earth moving equipment and individual trucks, if one breaks down, so be it. There were problems like, they didn't change the oil on a regular basis. Their approach was you bought it to last two or three years and when it broke down, you'd throw it away and buy a new one. You didn't have to worry about maintenance. So you had to introduce a maintenance concept in all these things, even in the most basic things like this. It wasn't that they weren't intelligent and weren't able to deal with these things, it was just they had never been trained. That was the great cross-over. There was a tremendous success when we had success.

*Q: How about the Peace Corps? Again I keep thinking about tossing these kids ... Of course some weren't kids anymore, it's a different Peace Corps, but how did the Peace Corps operate?*

LAKE: The initial Peace Corps group was tremendously successful. They were brought in to teach English. I took a very tough approach. I insisted because of the severity of winters, because of the problems they were going into the initial group had to be stationed in the capital city. It was the first time ever that the Peace Corps had had an urban Peace Corps program. I suspect we've repeated this experience again in the former Soviet Union. It was a tough thing for them to swallow, but they were tremendously effective. Because, going back to what I said about Americans and Mongolians clicking, they clicked. The Peace Corps volunteers went out and learned Mongolian. I studied Mongolian as I said and when I went back in January of 1991. When I first got back I spoke on TV in Mongolian. That made a tremendous impression on the Mongolians. As some said to

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me later, none of the Russian ambassadors ever spoke to us in Mongolian. My Mongolian was lousy at best, maybe it wasn't even that good, but the fact that I had learned some Mongolian and had made the effort made a tremendous impact. The Peace Corps volunteers did that all the time.

There were rough spots, etc. but it was a tremendous testimony on the United States and on the American people. It made a tremendous difference from the Mongolian perspective.

*Q: Forty percent of the population out there is nomadic. Did the Peace Corps get involved with that?*

LAKE: No. The Peace Corps did not get involved with the nomadic population, but it is also important to understand what a Mongolian nomad is. According to a UN study I saw while I was there, statistically the average Mongolian nomad moves five times a year. He covers a distance of approximately two hundred and twenty kilometers. But it is the same two hundred and twenty kilometers. You know if it's spring, Batmonh is over there somewhere, and if it's fall, he's over there somewhere. So it's a semi-nomadic existence within a given area. Now in my view Mongolia is one of the few countries which truly progressed under communism because they were so far behind. Under communism Mongolia had a tremendous system of rural health care delivery and rural education delivery. You had schools scattered around the country. The literacy rate was in excess of 95% in Mongolia. You had schools and clinics and hospitals all over the country. So as the new volunteers began to come in the Peace Corps began to put them into the countryside. They went to centers like this around the country. So in one sense, yes, they were dealing with the nomads insofar as they revolved around these centers, but in fact they were "urban areas" wherever they were located.

*Q: How did the nomads deal with the winter?*

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LAKE: I can assure you that the Mongolian ger, what the Russians call yurt which is the word that we have in English, is an extremely comfortable place to live when it's forty below.

*Q: It's basically a felt tent, isn't it?*

LAKE: It's basically a felt tent and they put more layers of felt onto it depending on how cold it is. Enough layers of felt and it's very comfortable provided of course you have a stove inside. In the middle of winter, I've gone out and visited nomadic camps, gone into the gers and it was warm and toasty. A whole lot more comfortable than in the apartments we lived in in the city of Ulaanbaatar.

*Q: Was your principle task running around trying to find out where they needed help? I mean how did you find where help was needed? How did this work?*

LAKE: I guess my principal task was to get the appropriate elements of the US government involved to address the problems. Identifying the problems was the key element of the task. Ultimately, I think the original plan we laid it out which was to have a technical assistance program with a long term benefit was the best approach. The critical issue that fell upon us if you will was the energy crisis and the way we found out about it was that more junior officials of the Ministry of Energy went to a personal friend of theirs in the Ministry of Foreign Affairs who then asked me if I would come meet him and he had him talk to me. And that's how the story first came out. I then went back to them officially and we began to build from there. The problem is that if you want to do your job effectively, you have to have people following what's going on. I developed a close working relationship with the Ministry of Energy. We had a first tour junior officer by the name of Alaina Teplitz who came out to Ulaanbaatar in the summer of 1992. In December of 1992, as the Economic/Consular Officer, I made it her job to keep track of coal supplies, energy problems, monitor what the AID people were doing, etc. She did a tremendous job. She



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also organized the consular warning system because the number of Americans had grown so much,

My wife and I arrived in Ulaanbaatar in July of 1990. We were the seventh and eighth Americans to live in Mongolia since 1921. We organized the July 4th picnic in 1993, we estimated that there were over three hundred Americans living there. In January of 1993, the number around 160. As a matter of fact I say you don't live in Mongolia unless you are there in January. In January of 1993 we had over 160 Americans living in Mongolia. So we had this tremendous explosion of American presence. So therefore you had to be prepared. What if the system failed? What could we, at the Embassy, do as one of our key roles was to protect Americans? We had to devise a warning system, an evacuation plan, etc. In fact, as a result of her work during her first year in the Foreign Service, Alaina personally received one Meritorious Honor Award and shared in a second one for reporting. I suspect few, if any, other first year, first tour junior officers in history had done such an outstanding job.

*Q: What other concerns ...? I mean here is an ancient cultural ... a great culture fallen on hard times. Did you get involved? One: concerns about too many Americans, sort of Roy Chapin Andrews types or something like that running around, not looting but, getting involved with tombs or things like that?*

LAKE: Did I get involved in it? No. Was there a concern on the Mongolian side? Yes and No. You have to remember this is a country rediscovering its own history. In 1988, there were roughly seventy thousand Russians living in Mongolia. So two hundred Americans was a drop in the bucket. They had already been through that experience, but of course as they rediscovered their history, they became sensitive to many of these things. It was not as big an issue as one might anticipate. I did things to reflect and show respect for traditional Mongolian culture. During the 1930s most of the temples etc. were destroyed by the communist government. But the largest wooden building in Mongolia was a monastery which was out in the middle of no place. I went there to see the monastery. I met the

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people who were working on it, the monks and so on like this. I displayed an interest in things like that.

*Q: A Buddhist monastery?*

LAKE: Yes, a Buddhist monastery. In fact Mongolia is the second largest center of Lamaist Buddhism after Tibet. They view the Dalai Lama as the chief religious figure. Things like that showing our respect I felt were important. Yet, there were sensitivities. For instance, there was a great effort on the part of some to look for the tomb of Genghis Khan. Tradition is that when Genghis Khan died he was buried with tremendous riches, and so on like this, and the people who buried him were then slaughtered. The soldiers who slaughtered them and buried them were themselves then slaughtered, and that a river was diverted to flow over this site, the tomb site. Although they think they know the general area where he was buried. The idea was floated about having his burial site located. The theory was that some of the NASA satellites photography that allows you to look below the ground level might turn up information. I discussed this idea with a number of Mongolians and it became very clear very quickly that it was a very controversial issue as to whether they wanted the tomb of Genghis Khan found. I discouraged any official American effort, or more appropriately I didn't encourage any official American effort to pursue this. Fortuitously, I guess, the major Japanese newspapers launched a big effort to try to find the tomb of Genghis Khan. And so they took all the attention and all the controversy that went along with it.

*Q: How about Japan and other countries? In Mongolia of course everything was breaking loose. I can see where this would become sort of the darling of Sweden, Japan, Germany, England, and all that. Did this happen or not?*

LAKE: The problem became getting these other countries, Japan in particular, but also attracting Swedish attention, British attention, to notice Mongolia, and that's where Secretary Baker played such a key role. Let's face it, Mongolia is the end of the earth

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as far as they're concerned. Here is a country which when I went there was the largest land-locked country in the world. In the United States, it would stretch from New York to Denver, from Minneapolis to Dallas, with a population of two and a half million people. It is the least densely populated country in the world. And between Russia and China. How much more forgotten and obscure can you be in terms of the rest of the world? But yes, the Japanese and others developed an interest. There is also some complex cultural history here. The Koreans believe their people came from Mongolia. That is the origin of the Korean people is from Mongolia. There is a tradition among at least some Japanese that Genghis Khan really was a Japanese. And of course you may recall during World War II, the kamikaze pilots, the divine wind. The kamikaze in fact is the divine wind which twice destroyed Genghis Khan's fleet when he tried to conquer Japan. So there is a long cultural context here that predates any of the modern and what it means. All these played into it. Japan is certain to lead. One of the other efforts I became very deeply involved in was a major coordination effort of the international community, both launching the Mongolian Assistance Group and coordinating this effort. Nothing like that internationally ever works perfectly, but we were able to launch a very successful coordination effort involving the international financial institutions, the World Bank, IMF, as well as the donor countries that were resident in Ulaanbaatar. I realized that it would be impossible for me as the American Ambassador to pull it off because of great power chauvinism, etc. I pushed the, willing I would add, United Nations Development Program director to play the lead and supported him very strongly. We were successful in getting a group organized. I can't compare it to any place else in the world. I can say it was the most successful real coordination effort I have seen to avoid duplication among the aid community. It required a lot of support, of determination, but it really worked.

*Q: Could you ... I go back to my recent experience in (Kergistan?) where the officers there, I'm talking about the American officers, found it a little difficult to get to know their Kergis counterparts because there was sort of a tradition. You went out, what you did was you sat down and you drank, you killed a bottle of vodka or something like that, which is not*

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*conducive ... This just isn't our way. How did you find a sort of developing relations other than just ...?*

LAKE: The young people of the staff found it worked very well in developing a relationship. For me it was much more difficult because the Mongolians are raised in a very formal atmosphere and they do really enjoy drinking. They learned from the Russian school of drinking as a Bulgarian friend of mine would say, and I'm not a heavy drinker. But I did have effective relations with the key senior people of the government. I would hesitate to say personal friends since I was the Ambassador and they were the President, the Prime Minister, the Minister of Energy. But there was clearly a personal feeling among them when I departed that we had developed a relationship that was important from their viewpoint. Some of the younger people on the staff developed very effective relationships. So the hazard you refer to in terms of the vodka was a real hazard in Mongolia too. The Mongolians in fact have their own vodka. I am not a vodka drinker, but people who are tell me that the Mongolians produce some of the best vodka in the world. One of the great schemes of every businessman who came there was to figure out a way how you could export Mongolian vodka into the United States. The Mongolians also have, in addition to that vodka which is the Russian style vodka, have what they consider real vodka, arkhi, which is of their two national drinks in Mongolia traditionally. One is fermented mare's milk which is ...

*Q: Kumis or something?*

LAKE: Kumis is in fact the Russian word. Airak is the Mongolian word. It is quite something. It's hard to describe and it varies dramatically in quality, but I would say it's pretty close to buttermilk gone bad. Mongolians also distill a vodka from milk. They turn the milk into yoghurt. Then they heat the yoghurt and catch the fumes. They produce a very clear and powerful vodka that is much stronger than any you can find in the United States. I thought smoother, but then again I'm not a vodka drinker so I'm not the right person to make a judgment on that.

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I think the important thing to recognize is that we're talking, you know, about the things that I did, but it was a tremendous effort by a lot of Americans from Peace Corps, from AID, who did a lot of things in Mongolia to help make a difference. The reward that these individuals got out of those experience was the reward of appreciation from people and to really make a difference in the future of a nation. I think had we made the same kind of effort in Mongolia that had been made in eastern Europe, or in the former Soviet Union, the impact would have been even greater. But it was a different moment in time. Bureaucratically Mongolia suffered as East Europe and the former Soviet Union opened up because in everybody's world, Mongolia was in the Asian Bureau and everything else was in the European Bureau or whatever they call the European branch of the organization. Never the twain shall meet if you will. In the view of the Mongolians in this whole period was that they began to awaken to the fact that they were Asians. I recall when I first got there and talking to the Mongolians about their desire to buy a Boeing aircraft and saying: "Where will you fly to?" "Oh well, we'll fly to Berlin if we have a Boeing aircraft." By the time I left the Mongolians were trying to get into Tokyo, to Nagoya in Japan. They had begun to realize their "Asianness", if you will.

*Q: Where did you find the Mongolians? Okay, they're opening up. They have this huge area which is beginning to grow dynamic again, i.e. China sitting next to them. The Soviet Union has collapsed, Russia has its own problems so for the near foreseeable future is not a problem there. What about China, how do they feel about China?*

LAKE: The Mongolians have a very visceral dislike for the Chinese dating back centuries, and a fear of the Chinese. They see what happened in Inner Mongolia. Inner Mongolia today has a Mongolian population larger than the population of the country of Mongolia. But it has a Han Chinese population that is many, many times larger than the Mongolian population in Inner Mongolia. The driving force is fear on their part. One of their problems is how to wrestle, how to balance these two great powers to find a middle line to protect

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their independence, culturally, economically, geographically, politically. It is not an easy task. It requires a tremendous amount of ability and leadership.

*Q: You as the American Ambassador, did you find that things had normally ... where they normally would turn to their near neighbors. I mean were they going to you. Did they feel the Chinese had anything for them?*

LAKE: They turned to the Chinese and to the Russians, and we encouraged them to do so. The thrust of our position was that Mongolia's long term solution does not lie with the United States. Mongolia must turn to its immediate neighbors and develop a modus vivendi with them. But they carry the burden of history with them as they try to deal with both the Russians and the Chinese. In the long run if Mongolia is to succeed it will have to deal with this reality.

*Q: What about the Mongolian diplomatic apparatus? They had been a separate nation since the twenties anyway and had representation in the United Nations and all that, but were pretty well isolated. Did they have any real foreign service at all?*

LAKE: Oh yes, they had a real foreign service. Many of them were graduates of the School of International Relations in Moscow. They have very impressive people. Of course the younger generation, the generation of the revolution has a different perspective. The older guys many of whom had come through the communist system have a perspective. You carry with you your own history. I recall talking to the man who was the Director of American Affairs when I left who had first come to the United States in 1962, 63. Not in the first group to the UN but in the second group, as a young graduate fresh out of the Moscow school. He remembered very vividly his first impressions on arriving in New York. He said: "What an incredible city this is! What a beautiful city! Why do the Americans want to go to war and destroy it all?" Of course over time he began to understand the world wasn't that simple. Of course some people never moved out of that experience.

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*Q: Where did you find you fit within the State Department bureaucracy? You were in the East Asian Bureau, but I mean you know, you got Japan, you got China, and then if there's any energy left over you got Korea.*

LAKE: Mongolia was part of the China-Mongolia office. That of course meant that the Chinese issues used to get a lot more attention. On the other hand from Mongolia's viewpoint it was fortunate because the Mongolian period was after Tiananmen, the great confrontation in China, therefore the US/China relations were at a low ebb. People had energy to devote to Mongolia; but with the passage of time as US/China relations began to improve let's say Mongolia got less and less attention. Of course when Secretary of State Baker left the State Department it got much less attention. But by that time Mongolia had achieved a place in the bureaucracy. You know we worked and struggled to get it introduced so people would recognize it was there and think about it. It was a matter of trying to cope with this position and accomplish something. I have to say that we faced tremendous challenges in Mongolia, but we were also rewarded. We were one of the thirteen, (was it thirteen or fifteen?) embassies selected by Eagleburger as Secretary of State just before he left, for a special certificate of appreciation for the outstanding job we did.

*Q: Are there any other things ....? I can't remember if the last time you talked about, just on the operational level, about the time when your staff was down to practically .... It was a family matter?*

LAKE: When I first got there we had as I said three people and in the summer of 1991, the first two people left. The new political officer arrived, but the new admin. officer had not arrived. By this time the Embassy was growing like topsy. We had found a new building and the problems were mind boggling. So on a temporary basis, we hired my wife as communicator, and my teen-age son who had just finished high-school came out, as assistant GSO. So the Embassy at one point there for a few weeks was my wife, my teen-age son, the political officer, and me. By the time I left, we had seven State positions in the

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Embassy and I would say that the work load when we had seven was essentially the same as it was when we had three in the summer of 1991. You can imagine the amount of all the things we were trying to do— not even running to catch up or to avoid falling behind, but running to try to avoid falling too far behind.

*Q: One of our major tools in these countries is to have essentially exchange programs of one type or another. That is to get people from a country to go to the United States, either to see the United States or to learn a trade or profession or something. But that takes a lot of man-hours to get those things ....*

LAKE: In the initial aid effort, we were able to launch a training program in the US. But then of course we got diverted into the energy sector. USIA supported us with international visitor grants to bring people to the United States for shorter periods. But as you said it took tremendous man-hours. USIA finally agreed to send a USIA officer to Ulaanbaatar and the first officer finally arrived after I left in August of 1993. But earlier I had got them to hire at least two Mongolian staff with whom we could work. It was just another case of juggling all the different balls in the air trying to spend the time. We could have done a lot more had we had a little more staff and a little more money. It was a matter of doing the best you can with what you had.

*Q: Were there any other crises that I haven't covered here during this talk?*

LAKE: The major crisis I think that we covered was the energy crisis. Survival was the other crisis. The story I've told many times is that first winter. We had to bring in everything from Beijing— even nails to use in the Embassy.. (By the time we left things were changing.) We saved old lift vans to use as wood, because we couldn't get wood. We even brought in glass from Beijing at times—that's a challenge all its own as you can imagine. But in the spring of 1991, the Land Cruiser which was used as my official vehicle part of the time was in an accident. It was hit through no fault of the driver. But the grill was damaged and the frame bent. My driver was very creative. He went and got it straightened



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and put a two-by-four in the frame. We couldn't replace the grill, so he got an animal hide and painted it the same color as the car. We used an animal hide in place of the grill. Eventually we got the parts, but it was that sort of day-to-day life challenge that made it incredibly difficult along the way. You knew where you were.

*Q: Did you feel when you left at that time so ... whither American relations with Mongolia and whither Mongolia?*

LAKE: Let me look back and then look forward.

*Q: Okay.*

LAKE: Looking backward my thought was we have accomplished a tremendous amount. I was there at a period when a country rediscovered its own history, tried to build a new society on democratic principles, and a free market economy with many ups and downs along the way. We could have done a lot more, we could have accomplished a lot more, but we accomplished a lot with what we had. Looking to the future, the first question in my mind was what is the American interest, which I think goes back to one of the first things we discussed. The only interest in Mongolia is if we support the ideals of free democracy and enterprise, Mongolia was one of the places we could make a difference. We were still making a difference at the time I left. We had successfully gotten the Japanese involved. Japan has a more natural attraction for Mongolia than the United States. That makes a longer term difference in terms of the American interests in terms of Mongolia's future. Beyond that other than the tremendous kinship which developed among that small group of Americans who developed ties in Mongolia, there is not much I can think of to say. There is this body of relationship, but unless major economic ties develop—which is possible because Mongolia is potentially a very rich country in terms of petroleum resources. It also has other natural resources: gold, silver, zinc, copper, things like this. Some American companies have begun to explore into this areas. Major economic ties might develop if American companies became involved.

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*Q: When you came back to Washington, when you were through there, was Mongolia still on the radar, or where?*

LAKE: Yes, Mongolia is still a blip on the radar and so in that sense in terms of the ultimate bureaucratic battles in the streets of Washington, we were successful in that battle too. You know AID has begun to cut back in other parts of the world, but the Mongolia mission has remained. Will it remain for the indefinite future? I doubt it as the US government cuts its budget and reduces its involvement. Yet, again it is a place where we as Americans have made a difference.

*Q: Okay, well I think on that note, why don't we end it here?*

End of interview